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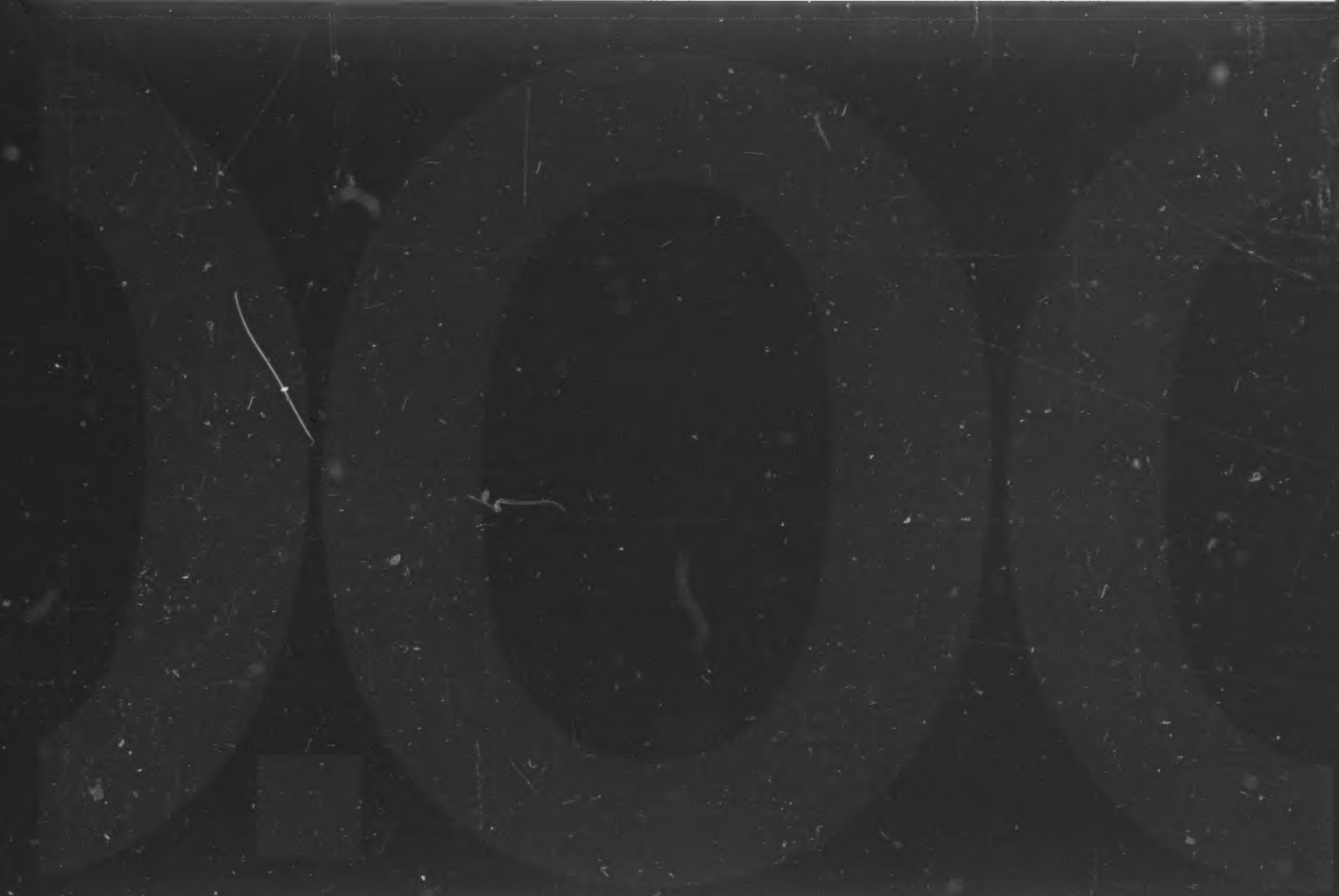
Analysis of 1985 Bank Marketing Expenditures

1986 Research Report
Advertising Department

4th Edition



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HOW THE SURVEY WAS CONDUCTED

The "Analysis" contains more than 2,200 individual statistics on how banks in the United States spend their marketing budget to sell financial services. The survey which was used to gather the data from more than 1,000 banks and the resulting tables and graphs are designed to help bankers learn more about the budgeting process in bank marketing.

How to Use

This publication is not designed to show how much your individual bank should spend for marketing or in which media. In fact, as you become familiar with the data, you will see that there is quite a diversity in the statistics based on the various factors considered in the survey — asset size, market type and population size.

You will, nevertheless, identify certain trends in these statistics which will help you confirm your beliefs about your own and competing banks' expenditures or perhaps help you refine and improve your own marketing budget.

Comparison between years

The 1985 "Analysis" is in essentially the same format and expenditure categories as the prior three years' editions to allow for direct comparison of changes. For a detailed study of differences between 1985 and those years, you may obtain a copy of the 1982, 1983 or 1984 "Analysis" from BMA.

Methodology

A four-page letter/questionnaire was mailed to a sampling of banks nationwide. Banks were chosen by random "nth" name selection from among two asset groups. Those under $100 million in assets (6,654) and those over $100 million in assets (2,680). The distinction in asset size samples was to compensate for lower response rates among community banks experienced in previous surveys.

A "Second Request" mailing was made to the same list four weeks later, and responses were cut off April 18, 1986.

A total of 1,106 questionnaires had been received at the cutoff date and of these 1,036 were usable returns. They were distributed as follows:

In $ millions	Number Responding	Percentage of Survey
Under $10	43	4%
$10 - $25	127	12
$25 - $50	180	18
$50 - $100	180	18
$100 - $250	276	27
$250 - $500	105	10
$500 - $1 billion	55	5
$1 billion - $5 billion	55	5
Over $5 billion	15	1

After the questionnaires were edited and key punched, the data was computer tabulated, examined for consistency and verified for accuracy.

Presentation of Statistics

The statistics are presented in several forms: In percentage terms, in dollar averages and in dollar medians.

The percentage computations are based on the number of respondents answering each specific question and are rounded to the nearest whole percentage.

Wherever the word "average" appears, it means the arithmetic mean. Averages for each category are based on the number of banks reporting. Since the number of banks reporting varies from category to category, the sum of the category averages usually will not be the same as the "total" averages.

The median is the middle value from a list of rank ordered values. For example, for the five values 4,000, 4,000, 4,200, 5,000 and 20,000, the median is 4,200 and the average or arithmetic mean is 7,440. There are as many banks above the median as there are below. Because the average is sensitive to extreme values (20,000 in this example) and the median is not, the median often represents a better estimate than the average.

Another feature incorporated into the data this year is the addition of "Minimum and Maximum" values for certain tables. The inclusion of this data shows the range of respondent answers for certain questions so that the reader can examine both of these extremes in addition to the average and median.

Dollar figures are rounded to the nearest $100.

Budgeting Methods

There are several commonly used methods for setting budgets. The more traditional methods consist of "rules of thumb" which are quick and easy to use, but have certain shortcomings as described below. Nonetheless, they may be helpful to planners as general guidelines for budget decisions.

- ***Percentage of Assets/Deposits Method:*** Uses a predetermined percentage as the basis for the budget, such as 1/10 of one percent of assets. This method does reflect the fact that larger institutions probably can afford larger budgets. It does not, however, account for other factors that influence marketing expenditure levels such as size of market, market share, opportunities for market development and competitors. Moreover, using current or forecasted assets/deposits as the basis of the budget ignores the purpose of marketing. Marketing expenditures, after all, should be affecting the level of deposits and assets, not the other way around.
- ***Incremental Method:*** Simply tacks on a set increase over previous spending — for example, budgeting 5% more than last year. This method is an easy one to implement, often pegging the increase to the rate of inflation. The assumption, however, is made that goals and strategies closely imitate past history. If you are completely satisfied that last year's performance was so good that you only need to repeat the same or more of the same strategies and tactics, this may work. Simply "doing more of the same" may mean that programs that are no longer effective will be continued since no evaluation or justification of programs takes place. In addition, most institutions will want to adapt their plans in the face of external changes such as: legislative developments, changing consumer markets, strategies of competitive organizations, etc.
- ***Competitive Parity Method:*** Is based on matching competitors' expenditures. The actions of your competitors are allowed to dictate your budget. While that may provide the same communications "weight" as your competitors, it fails unless you are the same size **and** have the same goals. The assumption underlying this approach is that all firms in the marketplace have the same opportunities for profitable marketing. More likely, your opportunities will not be entirely the same as your competitors'. For example, a bank introducing a new service to compete with a competitor's already established service would probably need heavier promotional expenditures just to create awareness among customers.
- ***"Affordable" Method:*** Whatever is left over after other functions have been budgeted and a satisfactory profit planned goes to marketing. This method relegates marketing to definitely secondary status and does not consider the role of the marketing department or the objectives of the bank. It is possible that the resulting allocation will be too small to allow marketing to be very effective. At the other extreme, more may be spent than is needed. At some point, the benefit of increasing the number of advertisements in the local paper, for instance, is negligible. Three ads may not be marginally more effective in creating customer awareness of a new service than would two ads. Furthermore, budgets that fluctuate radically from year to year will make long range planning and the attainment of long term objectives very difficult.

All these "rule of thumb" methods fail to allow for flexibility and do not relate expenditures to your bank's specific marketing objectives. Although a budget created by these arbitrary methods is often referred to as a "budget plan", little planning and analysis has actually taken place. Nonetheless, they are useful as decision parameters and often are used in conjunction with a more analytical procedure like the task/objective method.

Task/Objective Approach

Unlike other methods in common use, the task objective method makes the budget an integral part of your total marketing plan based on an analysis of the **unique needs** of your own bank.

In the task/objective approach, you first develop your marketing objectives, strategies and tactics, then you assign the costs for the marketing activities or tasks that will implement the selected strategy and achieve your goals. While advertising is usually the biggest part of the marketing budget, we should be careful not to overlook the other marketing elements: Public relations, sales promotion, sales/customer relations training and marketing research. Costs are assigned to these various functions based on their contribution to reaching our objectives. The budget, thus, becomes **the marketing plan in dollar terms.**

The Marketing Plan

The marketing budget is the fifth of six components of a good marketing plan. There are four other steps which should be taken first. The key steps in formulating a marketing plan are the following:

1. ***Situation Analysis:*** Where are we today? What are our strengths and weaknesses? What opportunities and/or threats are facing us?
2. ***Objectives:*** Where do we want to be tomorrow? What specific goals do we want to achieve?
3. ***Strategy:*** What are the available paths to reach our goals? What will our organizational "game plan" be?
4. ***Tactics:*** What, specifically, will we do to implement the strategy? What action plans, timetables, activities, etc.?
5. ***Budget:*** How much will it cost? How will our resources be allocated?
6. ***Evaluation:*** Is it working? How do the actual results compare to our stated objectives?

There are important advantages to writing a thorough marketing plan. It brings organization and efficiency to both short term and long term activities of the bank. A written plan provides staff and suppliers time to prepare for and implement programs, and reduce the risk of errors or expense that accompany unplanned marketing. The plan assures that marketing activities occur in an orderly sequence, reaching the right prospects, at the right time, at the lowest expense possible.

Your written plan also is helpful from the organizational standpoint. It alerts others in the bank when to prepare for certain customer responses and assures that other key individuals in the organization understand the bank's goals. The plan should be a written document, with input from a wide range of personnel. And, it should be considered an evolutionary document. Each plan your bank prepares is more accurate and thorough than earlier ones. For that reason, consider the plan a flexible document that changes with the marketplace.

Getting Your Budget and Plan Approved

When submitting your marketing plan and budget to management, keep the following points in mind:

- Do your homework. Know the history of the bank's marketing expenditures in prior years, and their marketing successes and failures. Know the marketing problems facing your bank and formulate strategies aimed at solving these problems.
- Anticipate any management objections and prepare answers for them.
- Develop arguments to counter proposals to stop or curtail advertising or other marketing activities during temporary adverse conditions.
- Present marketing expenditures not as a cost but as an investment that leads to future profits.
- Submit realistic numbers. Don't "go in high." Stress that your budget has not been padded, that it represents the least expense that can be expected to achieve the desired objectives.

Managing With a Budget

A written plan and budget are blueprints for action. Rather than leaving results to chance and merely reacting to events on a day-to-day basis, use the plan as a **roadmap for actionable tasks,** allocating resources based on your stated objectives.

A marketing plan should not be set in stone, but rather should be adapted to changing economic and competitive conditions. Be prepared to cut or expand your budget to meet changing revenue, profit, cash flow requirements — or to take advantage of newly developed marketing opportunities. Or, you may need to counter unexpected expenditures by a competitor.

Planning is an on-going, dynamic process. A plan should be used daily, reviewed and updated. The greatest possible mistake is to write a marketing plan and put it on the shelf until it's time to write next year's plan. A good marketing plan is threadbare long before the year is over.

The plan and budget are also control mechanisms for evaluating progress toward the achievement of your marketing objectives. For the most effective measurement of promotional results against plan, your stated objectives and performance standards should be quantified whenever possible. Review actual program results periodically — at least on a monthly basis.

Expenditure levels should also be monitored and variances, whether below or above budgeted amounts, should be examined. If expenditures are running ahead of estimates — why? Have the underlying budget assumptions changed — are unforeseen influences causing this variance? If so, perhaps, your objectives and strategies should be modified. If not, budget cuts may be in order. If expenditures are running behind estimates — are your goals being achieved without the planned expenditure and are there alternate, new opportunities to pursue? If goals are not being met, perhaps spending should be increased to the necessary level.

In conclusion, systematic planning can mean improved performance for your bank and more efficient achievement of your marketing objectives.

Regardless of which method you use in preparing your own bank's budget, this study should be of value in comparing it to other banks' nationwide.

Be sure to consult all the tables here which delineate the statistics by various characteristics beyond bank asset size. For example, market size and market type shown in Tables 6 and 7, appear to have a significant impact on the size of the budget.

This study will be of maximum value if your marketing budget is broken down into the same basic categories as those in the survey. Obviously, when making comparisons, it's important to be comparing similar items.

Defining terms

The items used on our questionnaire were built around generally accepted industry definitions for consistency among responding banks so that users of this publication could readily compare their expenditures in similar categories.

Nevertheless, check how your bank classifies expenditures to determine if there are any major differences in yours and these before proceeding with any specific comparisons.

In fact, you may find it convenient to use the table format and descriptions we have used, such as Table 1, to set up your own 1987 budget to assure that the data will be comparable in the future.

A special word on advertising — the largest part of your marketing budget will most likely be advertising. In fact, on the average, 63% of responding banks' marketing budgets go to advertising. And these advertising decisions are becoming more and more complex. Media choices are multiplying. Television is very effective for many services, but is also expensive. Cable television is a growing force in many markets. New magazines are emerging with more regional, state, and city editions available. Computers are offering limitless combinations of lists for more effective use of direct mail. Radio stations change formats, and audiences, regularly. The point is that media planning is dynamic because the media themselves are changing and the media mix will differ depending upon the service to be sold. More of your attention will, of necessity, be directed to the planning and budgeting of this area than to any other.

Limitations of the survey

While the survey sampling was taken from both BMA members and nonmembers, it can be assumed that there is a higher response rate among members than nonmembers. Because BMA members may tend to spend more or differently on marketing than nonmembers, the reader should take this potential bias into consideration.

Care was taken to make the definitions of expenditures universally acceptable but at the same time specific enough to be useful to the reader. Nevertheless, respondents may interpret questions differently, indicating an expenditure in an incorrect category.

Finally, the study is not a census of actual expenditures, but more a sampling of data from responding banks' records. As such it represents only a portion of all U.S. banks. The tables and individual statistics therefore should be used in relative terms to make comparisons rather than in absolute terms.

Tables 1 and 2 report on the average and median expenditures banks made during 1985. For both tables, the expenditures are shown in five major functional areas of marketing:

- Advertising
- Public Relations
- Sales Promotion
- Staff Sales Training
- Marketing Research

Each of these five areas also is divided into additional details. For example, media are shown under Advertising, shareholder relations under Public Relations, newcomer services under Sales Promotion and so on for each functional area.

The bottom line for each of the two tables shows the total marketing expenditures for the year. Because not all respondents included detail for each line item, the averages in each of the line items will not necessarily sum to the bottom 'total' line in those two tables. Nonetheless, the total line and each category total represent the average of all banks which reported an expenditure.

Average Expenditures

The average expenditure by banks in each asset range is shown in Table 1, and graphically in Figure A.

The total marketing budgets range from $10,300 for the banks under $10 million in assets to more than $4,567,000 in the banks with more than $5 billion in assets.

It also is possible to obtain an approximate index to the size of the marketing budget based on the asset size of a bank and to examine how the bank's size influences the amount of the budget.

This can be done by dividing the average marketing expenditure in each asset range, by the midpoint of that range. For example, the average marketing expenditure for banks in the $50 million to $100 million asset range is $61,800. That figure can be divided by the midpoint of that range ($75 million), to achieve a figure of .08%. That percentage indicates that on average, banks in that asset range have a marketing budget which approximately equals .08% of their total assets.

The other asset ranges and the index for each are shown here (note that the midpoint for the banks under $10 million is assumed to be $7.5 million and for those over $5 billion it is assumed to be $10 billion):

Asset Range in Millions	Marketing Budget as % of Assets
Under $10	137%
$ 10 — $ 25	107
$ 25 — $ 50	085
$ 50 — $100	082
$100 — $250	080
$250 — $500	070
$500 — $1 Bil	089
$1 Bil. — $5 Bil	040
$5 Bil. or more	045

Thus, through economies of scale, or other factors, the marketing budget as a percentage of assets, declines as the size of the bank increases.

These percentages should be used only in the very broadest sense for comparisons and not as a formula for budgeting. They are derived from wide asset ranges, and there are extreme budget variances within each range. Further, the budgeting process as described earlier involves much more than simply allocating a percentage of assets to marketing. Other tables later in this report will show how the type and size of market also influence the size of the budget within each asset.

As noted earlier, averages can be affected by extreme values. Therefore, you may want to compare the average expenditures in Table 1 against the median expenditures in Table 2.

Median Expenditures

Table 2 and Figure A show the median expenditures which banks allocated for marketing in 1985. The median ranges from a low of $5,800 for the banks under $10 million in assets, to a high of $4,683,000 for banks in the "over $5 billion" asset category.

Median expenditures also are shown in Table 2 for each of the five functional areas of marketing and for the various detailed categories under them.

Percentage Allocations

The percentage of responding banks' budgets which were allocated to each marketing category are shown in Table 3. This table is especially useful to determine which expenditures receive priority in the budget, and how the priorities change as the size of the bank increases.

As in past years of the "Analysis", advertising accounts for the largest portion of the budget among the five major marketing functions. It increases from 53% of the budget in the smallest banks to 73% in banks with over $5 billion in assets.

While advertising still accounts for the largest share of the overall budget, its share has declined slightly, as it did in 1984. In 1983 it averaged 66% of banks' budget, declined to 62.5% in 1984 and decreased again to 61.4% in 1985.

Within advertising, certain trends appear related to the size of the bank. For example, Figure B shows clearly how television consumes only 1% of the budgets in smaller banks, but steadily increases upward to 17% at the largest institutions. Magazines also take a larger share of the budget as the size of the bank increases, rising from 1% up to 5% in the larger banks.

Newspapers still account for the largest single expenditure within most banks' budget, varying from 14% to 20% approximately correlated to bank size. The use of direct response also increases with the size of the bank, varying from 3% to 15%.

Larger banks also pay more for advertising production, such as artwork, typesetting, talent fees, etc. As Table Three shows, the percentage of the budget allocated to production in the smallest banks is only 1%, but increases to as much as 9% for those banks over $250 million.

The function which accounts for the next largest portion of expenditures is public relations. It receives from as little as 8% to as much as 24% of the marketing budget. Note though, that public relations is one of the few areas which receives a proportionately smaller allocation as the size of the bank increases. In the community banks, the allocation varies from 20% to 24% (for those banks less than $100 million in assets). But as the size of the bank increases beyond $100 million, the proportion spent on public relations decreases (from 19% down to only 8% in the largest institutions).

The largest expenditures within public relations for most banks are for donations and special events, although larger banks tend to increase their allocation to stockholder relations and decrease budgets for special events.

Sales promotion activities account for an only slightly lower percentage of the budget than public relations. Highest expenditures are again in the community banks (12% to 15%). There is a small decline among the middle tier banks (8% to 9%), and an increase of from 10% to 12% for those over $1 billion in assets.

Staff sales/customer relations training is highest among community banks (4%) declining to only 1% in the banks over $250 million.

Research generally takes the smallest share of the budget for the five major functional areas, averaging from 1% to 4% of the total marketing budget.

AVERAGE AND MEDIAN MARKETING EXPENDITURES

The two graphs below show the total average and the median expenditures by asset size as taken from Tables 1 and 2.

Figure A

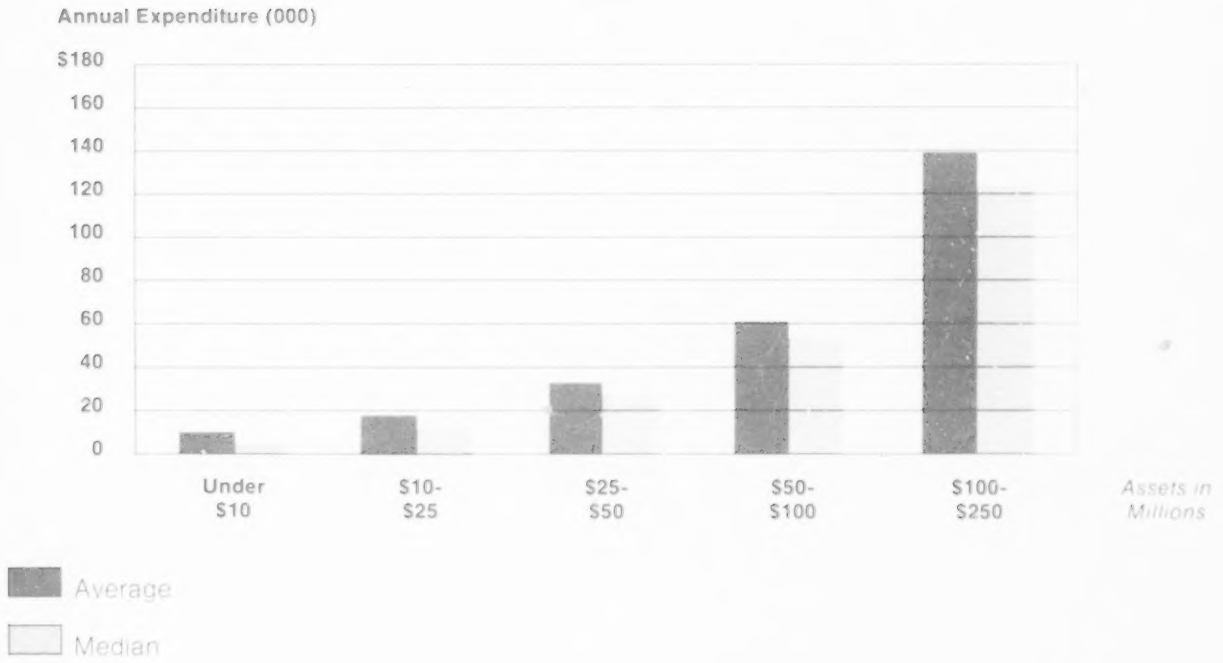


TABLE 1
AVERAGE MARKETING EXPENDITURES BY EXPENDITURE TYPE AND ASSET SIZE
(All Reporting Banks - 1985, $000)

Expenditure Type	Asset Size in Millions: Under $10	$10-$25	$25-$50	$50-$100	$100-$250	$250-$500	$500-$1 Billion	$1 Billion-$5 Billion	$5 Billion or More
ADVERTISING									
Magazines (consumer, trade, etc.)	$ 7	$ 10	$ 16	$ 19	$ 56	$ 88	$ 186	$ 621	$ 2986
Directories (telephone, bank, city, etc.)	8	9	14	20	34	52	114	234	622
Newspapers	18	40	57	93	214	458	1036	2256	9156
Television	38	28	36	42	225	377	787	3149	8257
Radio	21	27	55	102	200	267	633	1155	3138
Direct Response (direct mail, literature, lists, postage, stuffers, telemarketing)	19	16	19	34	70	248	1147	1146	3518
Outdoor & Transit (billboards, taxi, bus, train cards, etc.)	27	20	35	57	108	231	299	634	1531
Production Expenses (artwork, talent, etc.)	11	37	22	35	122	265	659	1480	4471
Fees & Commissions (advertising agency, media representative, consultants, etc.)	56	31	48	68	109	206	559	962	2634
All Other Advertising	32	47	44	76	160	355	207	574	996
Sub-Total for Advertising	**6.0**	**10.3**	**17.6**	**34.1**	**88.8**	**180.7**	**441.0**	**1009.5**	**3342.3**
PUBLIC RELATIONS									
Stockholder (Investment Community (annual report, meetings, etc.)	7	16	26	23	61	136	402	691	2165
Media Relations (press releases, press conferences, etc.)	1	5	6	9	24	25	46	82	205
Publications (community service publications, newsletters, etc.)	6	11	14	19	34	69	105	200	675
Special Events (seminars, anniversaries, open house, etc.)	10	18	25	37	69	96	239	397	319
Public Relations Consultants Fees	10	54	27	45	106	118	164	381	310
Donations (donation advertising—schools, churches, civic clubs and related publications)	10	23	40	67	114	213	283	869	776
All Other Public Relations	27	15	37	74	96	166	164	341	1011
Sub-Total for Public Relations	**2.6**	**4.4**	**8.2**	**14.2**	**27.4**	**47.4**	**96.3**	**198.0**	**404.8**
SALES PROMOTION									
Net Premium Expense (cost of premiums less revenues from premium sales)	10	15	30	35	65	105	149	579	1140
Newcomer Services (non-salary only)	2	6	12	13	15	28	62	83	478
Specialties (giveaways, such as calendars, pens, etc.)	17	26	37	53	87	103	181	221	721
Point-of-Sale Materials (displays, banners, brochures, etc.)	9	17	18	18	41	81	220	733	3692
Employee Incentives (non-salary expenses directly related to employee sales/customer relations efforts)	19	12	34	36	69	92	234	403	5946
All Other Sales Promotion Expenses	0	22	25	48	91	54	403	909	368
Sub-Total for Sales Promotion	**2.1**	**3.7**	**5.9**	**9.2**	**17.2**	**25.5**	**58.6**	**145.2**	**682.6**
STAFF SALES/CUSTOMER RELATIONS TRAINING									
External Expenses (consultant fees, materials, facilities, etc.)	19	35	28	40	46	52	111	209	1058
Non-Salary Internal Expenses (development, printing, classroom, etc.)	4	11	16	20	30	44	91	138	371
All Other Sales Staff/Customer Relations Training	19	22	28	22	49	39	64	282	416
Sub-Total for Staff Sales/Customer Relations Training	**1.9**	**3.1**	**3.1**	**4.2**	**5.9**	**7.0**	**16.1**	**36.1**	**121.4**
MARKETING RESEARCH									
External Expenses (supplier expenses such as consultants, field force, data processing fees, etc.)	29	78	26	36	69	81	225	461	2038
Non-Salary Internal Expenses		6	14	14	13	13	91	240	520
All Other Marketing Research		33	17	28	20	77	61	26	103
Sub-Total for Marketing Research	**2.9**	**5.2**	**2.3**	**3.5**	**5.9**	**8.6**	**25.1**	**56.6**	**232.3**
All Other Non-Salary Marketing Expenses	109	64	53	295	314	465	2556	1196	9953
Total Marketing Expenditures	**10.3**	**18.6**	**32.0**	**61.8**	**140.9**	**264.5**	**668.0**	**1412.5**	**4567.0**

TABLE 2
MEDIAN MARKETING EXPENDITURES BY EXPENDITURE TYPE AND ASSET SIZE
(All Reporting Banks - 1985, $000)

Expenditure Type	Asset Size in Millions: Under $10	$10-$25	$25-$50	$50-$100	$100-$250	$250-$500	$500-$1 Billion	$1 Billion-$5 Billion	$5 Billion or More
ADVERTISING									
Magazines (consumer, trade, etc.)	$ 3	$1.0	$ 7	$ 1.0	$ 2.0	$ 5.0	$ 9.2	$ 50.0	$ 225.7
Directories (telephone, bank, city, etc.)	5	9	1.0	1.5	2.6	4.2	10.0	17.3	50.0
Newspapers	1.0	2.6	4.8	8.0	17.4	35.0	90.0	182.3	901.2
Television	5	1.8	1.0	2.8	11.3	24.6	70.0	202.3	825.0
Radio	1.0	1.5	4.0	9.0	15.0	23.0	41.6	88.5	309.0
Direct Response (direct mail, literature, lists, postage, stuffers, telemarketing)	2.0	1.0	1.0	2.1	3.1	7.5	24.5	72.0	282.1
Outdoor & Transit (billboards, taxi/bus, train cards, etc.)	1.0	1.0	1.5	3.4	8.5	15.6	24.2	44.4	122.0
Production Expenses (artwork, talent, etc.)	1.0	2.0	1.0	2.0	7.0	20.1	43.4	110.0	433.9
Fees & Commissions (advertising agency, media representative, consultants, etc.)	6.0	2.0	3.5	4.0	8.7	15.0	38.2	89.7	250.0
All Other Advertising	1.8	1.5	2.1	4.0	6.0	12.4	15.4	33.0	107.3
Sub-Total for Advertising	**3.0**	**7.5**	**14.8**	**29.1**	**73.0**	**156.1**	**363.1**	**850.7**	**3315.0**
PUBLIC RELATIONS									
Stockholder/Investment Community (annual report, meetings, etc.)	3	6	1.0	1.2	4.0	10.0	26.0	66.5	202.9
Media Relations (press releases, press conferences, etc.)	1	4	5	5	9	2.0	2.0	5.0	10.0
Publications (community service publications, newsletters, etc.)	4	1.0	1.0	1.5	2.0	4.0	10.0	16.0	62.0
Special Events (seminars, anniversaries, open house, etc.)	5	1.1	1.5	2.0	4.0	5.7	15.0	25.0	20.0
Public Relations Consultants Fees	1.0	2.2	1.1	3.0	4.0	3.0	16.2	36.0	8.8
Donations (include donation advertising—schools, churches, civic clubs)	8	1.6	2.8	5.0	8.6	15.0	18.0	50.0	25.0
All Other Public Relations	6	1.2	2.6	5.0	6.5	10.0	10.0	21.2	70.0
Sub-Total for Public Relations	**1.4**	**3.2**	**5.9**	**10.7**	**22.2**	**35.1**	**81.1**	**159.0**	**409.3**
SALES PROMOTION									
Net Premium Expense (cost of premiums less revenues from premium sales)	1	2.0	1.5	1.6	4.3	4.3	12.8	25.0	45.8
Newcomer Services (non-salary only)	2	5	5	7	1.0	2.0	2.0	5.0	25.0
Specialities (giveaways, such as calendars, pens, etc.)	1.0	2.0	2.5	4.4	7.0	8.0	10.0	13.0	27.0
Point-of-Sale Materials (displays, banners, brochures, etc.)	4	1.0	7	1.0	2.6	5.0	15.0	31.0	250.0
Employee Incentives (non-salary expenses directly related to employee sales/customer relations effort)	1.2	1.1	1.4	1.7	3.0	4.0	10.0	15.0	39.3
All Other Sales Promotion Expenses	1	2.4	8	1.8	3.4	3.8	11.8	83.9	23.0
Sub-Total for Sales Promotion	**1.4**	**2.5**	**4.0**	**6.9**	**13.8**	**20.0**	**43.0**	**95.0**	**548.0**
STAFF SALES/CUSTOMER RELATIONS TRAINING									
External Expenses (consultant fees, materials, facilities, etc.)	5	1.5	1.0	1.0	2.5	2.0	9.0	10.0	73.0
Non-Salary Internal Expenses (development, printing, classroom, etc.)	4	7	1.0	1.0	1.6	1.9	5.4	7.9	30.0
All Other Sales Staff/Customer Relations Training	8	2.0	1.2	1.1	2.0	2.0	5.0	4.0	8.1
Sub-Total for Staff Sales/Customer Relations Training	**.5**	**1.7**	**1.5**	**2.0**	**2.7**	**3.7**	**10.0**	**10.0**	**85.0**
MARKETING RESEARCH									
External Expenses (supplier expenses such as consultants, field firms, data processing firms, etc.)	3.5	7.1	2.0	1.5	3.6	3.0	15.1	27.0	198.5
Non-Salary Internal Expenses		6	1.0	1.0	1.0	1.0	2.0	3.0	18.1
All Other Marketing Research		1.5	5	1.0	9	3.0	1.0	1.8	10.5
Sub-Total for Marketing Research	**3.5**	**3.4**	**2.0**	**1.0**	**3.0**	**4.3**	**14.2**	**27.0**	**201.7**
All Other Marketing Expenses	13.8	2.3	3.0	7.0	20.0	12.3	113.9	102.6	995.3
Total Marketing Expenditures	**5.8**	**13.5**	**27.4**	**54.3**	**124.5**	**228.6**	**551.8**	**1323.0**	**4683.2**

TABLE 3
PERCENTAGE OF REPORTING BANK BUDGETS SPENT ON EACH EXPENDITURE TYPE IN 1985 BY ASSET SIZE

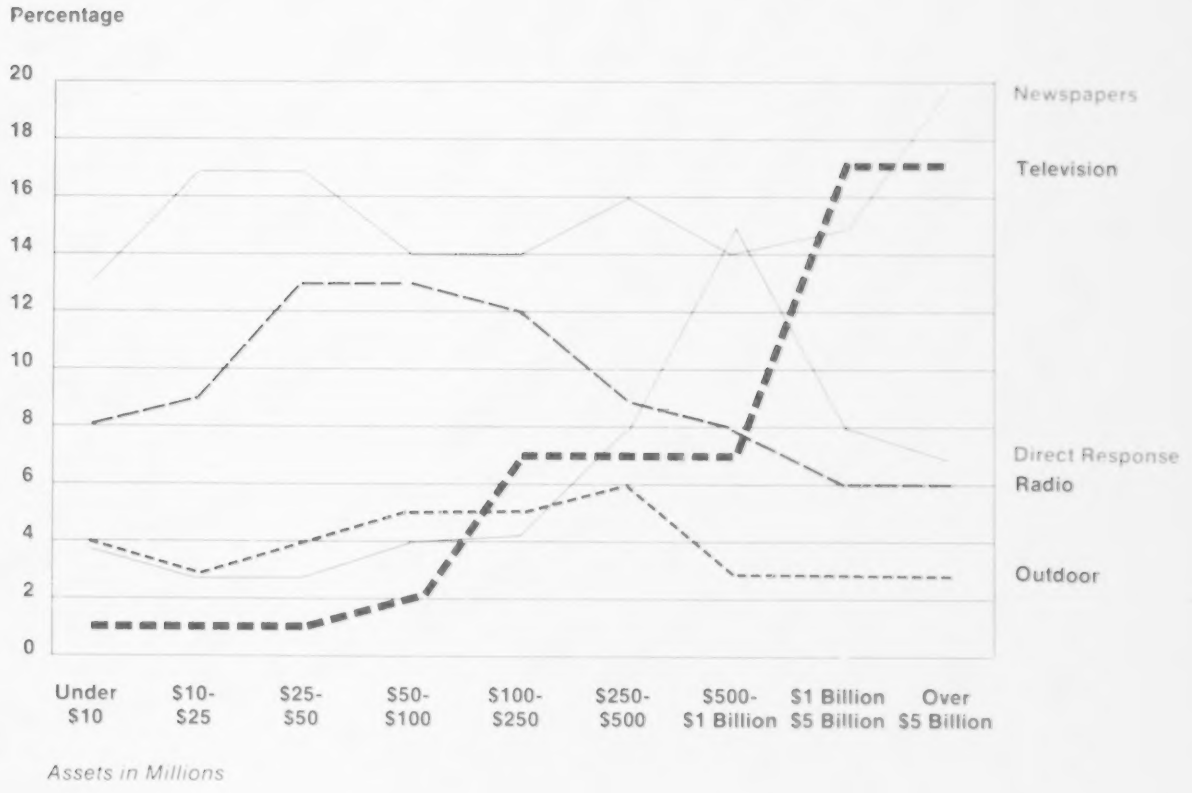
Expenditure Type	Asset Size in Millions: Under $10	$10-$25	$25-$50	$50-$100	$100-$250	$250-$500	$500-$1 Billion	$1 Billion-$5 Billion	$5 Billion or More
ADVERTISING									
Magazines (consumer, trade, etc.)	1%	1%	1%	1%	2%	2%	2%	3%	5%
Directories (telephone, bank, city, etc.)	5	3	3	3	2	2	2	1	1
Newspapers	15	17	17	14	14	16	14	15	20
Television	1	1	1	2	7	7	7	17	17
Radio	9	9	13	13	12	9	8	7	7
Direct Response (direct mail, literature, lists, postage, stuffers, telemarketing)	5	3	3	4	4	8	15	8	7
Outdoor & Transit (billboards, taxi/bus, train cards, etc.)	5	3	4	5	5	6	3	3	3
Production Expenses (artwork, talent, etc.)	1	4	2	3	7	9	9	9	9
Fees & Commissions (advertising agency, media representative, consultants, etc.)	5	2	5	5	5	5	6	5	3
All Other Advertising	6	5	4	5	4	5	1	2	1
Sub-Total for Advertising	**53**	**54**	**54**	**54**	**62**	**67**	**66**	**70**	**73**
PUBLIC RELATIONS									
Stockholder/Investment Community (annual report, meetings, etc.)	1	2	3	2	3	4	5	3	3
Media Relations (press releases, press conferences, etc.)	*	*	*	*	*	*	*	*	*
Publications (community service publications, newsletters, etc.)	1	1	2	1	1	1	1	1	1
Special Events (seminars, anniversaries, open house, etc.)	5	4	4	4	3	3	3	2	*
Public Relations Consultants Fees	*	1	*	*	1	*	1	1	*
Donations (include donation advertising—schools, churches, civic clubs)	7	10	11	10	7	7	4	5	1
All Other Public Relations	6	1	3	4	3	2	1	1	2
Sub-Total for Public Relations	**20**	**21**	**24**	**22**	**19**	**17**	**14**	**13**	**8**
SALES PROMOTION									
Net Premium Expense (cost of premiums less revenues from premium sales)	*	1	1	1	1	1	1	1	1
Newcomer Services (non-salary only)		*	1	*	*	*	*	*	*
Specialities (giveaways, such as calendars, pens, etc.)	9	9	8	7	5	3	2	1	1
Point-of-Sale Materials (displays, banners, brochures, etc.)	1	2	1	2	2	2	2	4	4
Employee Incentives (non-salary expenses directly related to employee sales/customer relations efforts)	2	1	3	2	2	2	2	1	5
All Other Sales Promotion Expenses	*	*	1	1	1	*	1	2	*
Sub-Total for Sales Promotion	**12**	**15**	**15**	**14**	**12**	**9**	**8**	**10**	**12**
STAFF SALES/CUSTOMER RELATIONS TRAINING									
External Expenses (consultant fees, materials, facilities, etc.)	2	2	1	2	1	1	1	1	1
Non-Salary Internal Expenses (development, printing, classroom, etc.)	*	1	1	1	1	1	1	*	*
All Other Sales Staff/Customer Relations Training	2	1	1	1	1	*	*	1	*
Sub-Total for Staff Sales/Customer Relations Training	**4**	**4**	**3**	**3**	**2**	**1**	**1**	**1**	**1**
MARKETING RESEARCH									
External Expenses (supplier expenses such as consultants, field firms, data processing firms, etc.)	3	3	1	1	2	1	3	3	4
Non-Salary Internal Expenses		*	*	*	*	*	*	1	*
All Other Marketing Research		*	*	*	*	*	*	*	*
Sub-Total for Marketing Research	**3**	**4**	**1**	**1**	**2**	**2**	**3**	**3**	**4**
All Other Marketing Expenses	7	3	1	5	3	4	7	2	1
Total Marketing Expenditures	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

* = Less than 0.5%

PRIME MEDIA BY PERCENTAGE OF TOTAL MARKETING BUDGET

(Taken from Table 3)

Figure B



WHERE THE BUDGET IS SPENT

Percentage Using

While data in Table 3 show what share of the budget is allocated to various expenditures, Table 4 shows the percentage of banks which indicated an expenditure (any amount) for each type.

Nearly all banks (97% to 100%) indicated an expenditure for advertising. Within advertising, a majority of banks showed expenditures for directories, newspapers and radio. Newspapers ranged from 80% to 100% of banks, while radio varied from a low of 50% in the smallest banks to 80% or more of all those banks over $50 million in assets. Use of direct mail is closely correlated to bank size, too, with 25% of smallest banks and 85% to 95% of largest banks reporting expenditures.

As with advertising, public relations expenditures were reported by most banks (84% to 98%). Seventy five per cent or more of all banks reported donations expenditures, and 39% or more reported special events activities such as an open house, seminar, or anniversary. In the smaller banks, only 14% reported expenditures for shareholder relations, while two-thirds or more of larger banks did.

Most banks also reported sales promotion expenditures, ranging from 73% of smallest banks to 96% in larger banks. Staff Sales Training was allocated a portion of the budget by about one-third of the smaller banks and about one-half of the larger banks. Only 11% to 14% of the smallest banks reported research expenditures, but more than 80% of larger banks did.

TABLE 4
PERCENTAGE OF BANKS REPORTING MARKETING EXPENDITURES OF EACH TYPE IN 1985 BY ASSET SIZE

Expenditure Type	Asset Size in Millions: Under $10	$10-$25	$25-$50	$50-$100	$100-$250	$250-$500	$500-$1 Billion	$1 Billion-$5 Billion	$5 Billion or More
ADVERTISING									
Magazines (consumer, trade, etc.)	18%	18%	23%	29%	43%	54%	76%	73%	73%
Directories (telephone, bank, city, etc.)	68	58	72	79	82	87	89	87	93
Newspapers	91	80	93	93	94	95	89	93	100
Television	5	9	12	23	41	46	62	78	93
Radio	50	61	76	81	86	86	80	82	100
Direct Response (direct mail, literature, rate, postage, stuffers, telemarketing)	25	43	53	65	79	82	85	95	93
Outdoor & Transit (billboards, taxi, bus, train cards, etc.)	18	24	37	52	64	67	60	69	87
Production Expenses (artwork, talent, etc.)	16	18	34	52	78	87	87	87	93
Fees & Commissions (advertising agency, media representative, consultants, etc.)	9	14	31	43	58	62	76	71	53
All Other Advertising	20	20	28	42	48	36	44	45	47
Sub-Total for Advertising	98	97	98	98	99	98	100	98	100
PUBLIC RELATIONS									
Stockholder/Investment Community (annual report, meetings, etc.)	14	25	46	56	66	71	76	67	67
Media Relations (press releases, press conferences, etc.)	6	5	11	9	20	33	47	56	80
Publications (community service publications, newsletters, etc.)	11	22	36	36	49	54	64	45	87
Special Events (seminars, anniversaries, open house, etc.)	50	39	54	66	70	74	80	71	60
Public Relations Consultants Fees	2	3	6	3	7	4	27	24	27
Donations (include donation advertising—schools, churches, civic clubs)	75	80	90	88	92	84	91	80	73
All Other Public Relations	25	15	29	36	42	32	35	49	73
Sub-Total for Public Relations	84	89	96	96	98	97	98	93	93
SALES PROMOTION									
Net Premium Expense (cost of premiums less revenues from premium sales)	5	9	16	17	22	18	24	41	40
Newcomer Services (non-salary only)	2	9	15	21	34	27	35	25	27
Specialties (giveaways, such as calendars, pens, etc.)	64	66	72	84	84	83	78	73	67
Point-of-Sale Materials (displays, banners, brochures, etc.)	14	20	36	56	60	73	71	75	53
Employee Incentives (non-salary expenses directly related to employee sales/customer relations efforts)	16	11	25	34	44	53	49	47	40
All Other Sales Promotion Expenses	5	4	11	14	19	21	24	27	13
Sub-Total for Sales Promotion	73	72	84	92	95	92	96	93	80
STAFF SALES/CUSTOMER RELATIONS TRAINING									
External Expenses (consultant fees, materials, facilities, etc.)	16	12	16	28	30	32	38	38	27
Non-Salary Internal Expenses (development, printing, classroom, etc.)	11	13	18	27	30	34	42	35	40
All Other Sales Staff/Customer Relations Training	11	6	13	18	14	10	7	29	13
Sub-Total for Staff Sales/Customer Relations Training	30	26	34	49	52	50	53	58	40
MARKETING RESEARCH									
External Expenses (supplier expenses such as consultants, field firms, data processing firms, etc.)	11	7	8	13	34	46	80	80	80
Non-Salary Internal Expenses		4	5	8	12	14	25	42	40
All Other Marketing Research		2	4	7	8	7	11	15	20
Sub-Total for Marketing Research	11	13	14	23	46	51	84	84	80
All Other Marketing Expenses	7	9	9	11	14	21	18	29	7
Total Marketing Expenditures	100	100	100	100	100	100	100	100	100

BUDGET BY MARKET SIZE AND TYPE

Tables 5, 6 and 7 relate responding banks' marketing expenditures to the type and size of the market they are in. For example, Table 5 shows the average expenditures for the full marketing budget as did Table 1. But in this case, it is related to the population of the market, rather than to the size of the bank. The overall budgets are somewhat higher for 1985 in the two smallest markets than they were in 1984, but somewhat lower in the two larger population ranges.

Advertising expenditures range from $39,300 (the same as 1984) in the markets under 100,000, ranging upward to $1,176,000 in the markets of 1 million or more.

Table 6 shows the four different population ranges and the total marketing budget by the nine asset ranges of banks. And, Table 7 shows the same population information by six different market types.

For Tables 6 and 7, be aware that some of the breakouts include only small sample sizes of banks and care should be taken in projecting the data to other environments.

Among responding banks, about 66% were located in markets of 100,000 persons or less; 20% in markets of 100,000 to 500,000; 6% in markets of 500,000 to 1,000,000 and 8% in markets of 1,000,000 or more.

Tables 6 and 7 also show 'minimum and maximum' values for the responding banks along with the median and the average. These values, which represent the highest and the lowest expenditures in various categories, show the range of respondents' budgets to help you place your own in perspective.

Environment, of course, can have a strong influence on marketing expenditures. These tables allow the reader to compare more precisely their own bank budget and environment with responding banks. For example, you can use Table 5 to find the average expenditures for any of the more than 30 different categories based on your market's population. You can use Table 6 and 7 to determine typical overall budgets, narrowing the total down to the size of your bank and the size and type of your market.

As an example of how market size influences the budget, consider a $750 million bank in Table 6. In the smallest markets (under 100,000), the average bank spent $531,500. In markets up to 500,000, they spent $568,500; in markets up to 1,000,000, they spent $696,200, and in the largest markets (over 1,000,000), they spent $921,300.

These tables should be useful to you both in preparing your own budget, and in estimating how much competitors in your market may be spending. But these figures should not be considered hard and fast absolutes. Your marketing plan, as described earlier in the section on "Budgeting for Bank Marketing" should take into consideration the factors of your marketplace such as size, available media and competition.

Even smaller banks (with their smaller budgets) have been able to compete successfully with larger institutions by seeking out opportunities in a special niche ... such as serving smaller businesses, professionals, or others, rather than confronting the market head-on with a smaller budget.

TABLE 5
AVERAGE MARKETING EXPENDITURES BY EXPENDITURE TYPE AND POPULATION SIZE
(All Reporting Banks - 1985, $000)

Expenditure Type	Population Size: Under 100,000	100,000-500,000	500,000-1 Million	1 Million or More
ADVERTISING				
Magazines (consumer, trade, etc.)	$ 2.2	$ 11.6	$ 18.9	$ 79.6
Directories (telephone, bank, city, etc.)	2.1	6.7	8.3	22.1
Newspapers	10.8	41.5	74.0	315.6
Television	11.1	50.0	81.2	438.4
Radio	10.2	29.0	54.8	151.2
Direct Response (direct mail, literature, lists, postage, stuffers, telemarketing)	3.9	20.8	45.1	170.5
Outdoor & Transit (billboards, taxi/bus, train cards, etc.)	7.1	19.8	24.8	78.9
Production Expenses (artwork, talent, etc.)	8.7	28.7	49.1	151.5
Fees & Commissions (advertising agency, media representative, consultants, etc.)	7.9	21.2	41.7	97.8
All Other Advertising	8.5	25.3	27.3	67.5
Sub-Total for Advertising	39.3	173.4	295.0	1176.0
PUBLIC RELATIONS				
Stockholder/Investment Community (annual report, meetings, etc.)	4.3	10.8	38.4	72.9
Media Relations (press releases, press conferences, etc.)	1.6	2.0	3.1	10.6
Publications (community service publications, newsletters, etc.)	2.4	6.2	7.6	25.5
Special Events (seminars, anniversaries, open house, etc.)	4.4	10.7	17.5	26.7
Public Relations Consultants Fees	8.7	5.7	13.5	29.6
Donations (include donation advertising—schools, churches, civic clubs)	7.0	16.8	32.8	52.1
All Other Public Relations	6.9	13.9	20.9	50.0
Sub-Total for Public Relations	15.6	40.2	80.1	171.9
SALES PROMOTION				
Net Premium Expense (cost of premiums less revenues from premium sales)	4.0	11.1	9.0	60.7
Newcomer Services (non-salary only)	1.2	4.2	2.8	19.4
Specialities (giveaways, such as calendars, pens, etc.)	5.9	9.1	15.4	20.7
Point-of-Sale Materials (displays, banners, brochures, etc.)	2.5	10.5	25.3	95.2
Employee Incentives (non-salary expenses directly related to employee sales/customer relations efforts)	4.0	12.1	15.8	118.2
All Other Sales Promotion Expenses	4.6	15.2	19.5	77.7
Sub-Total for Sales Promotion	9.8	28.2	45.3	201.6
STAFF SALES/CUSTOMER RELATIONS TRAINING				
External Expenses (consultant fees, materials, facilities, etc.)	3.8	5.5	12.7	28.6
Non-Salary Internal Expenses (development, printing, classroom, etc.)	2.2	3.9	5.3	17.6
All Other Sales Staff/Customer Relations Training	2.8	5.7	36.5	12.5
Sub-Total for Staff Sales/Customer Relations Training	4.2	7.5	23.0	34.1
MARKETING RESEARCH				
External Expenses (supplier expenses such as consultants, field firms, data processing firms, etc.)	6.9	11.5	25.9	62.9
Non-Salary Internal Expenses	1.1	3.5	2.6	31.4
All Other Marketing Research	2.3	4.7	5.6	3.4
Sub-Total for Marketing Research	5.5	11.5	24.3	75.2
All Other Marketing Expenses	25.6	80.8	117.0	156.2
Total Marketing Expenditures	67.4	261.5	452.6	1620.8

TABLE 6
AVERAGE AND MEDIAN MARKETING EXPENDITURES BY POPULATION SIZE AND ASSET SIZE
(All Reporting Banks - 1985, $000)

Population Size	Asset Size in Millions								
	Under $10	$10-$25	$25-$50	$50-$100	$100-$250	$250-$500	$500-$1 Billion	$1 Billion-$5 Billion	$5 Billion or More
Under 100,000									
Number of Reporting Banks	43	111	162	146	178	27	3		
Average Expenditure	$ 10.3	$ 18.1	$ 30.8	$ 56.9	$123.1	$216.3	$531.5		
Minimum Expenditure	1.2	1.0	2.0	3.5	4.6	71.3	351.7		
Maximum Expenditure	63.7	94.6	135.9	196.4	288.2	554.9	862.4		
Median Expenditure	5.8	13.5	26.9	49.5	113.5	207.5	380.5		
100,000 - 500,000									
Number of Reporting Banks	d	9	13	28	66	53	25	9	
Average Expenditure		13.9	41.3	75.9	157.8	298.3	568.5	1122.1	
Minimum Expenditure		2.0	3.9	13.1	20.0	18.0	70.2	292.8	
Maximum Expenditure		30.0	76.2	233.6	421.3	1736.4	1408.0	1670.0	
Median Expenditure		9.8	48.5	64.8	154.9	277.3	543.4	1187.1	
500,000 - 1 Million									
Number of Reporting Banks		2	d	4	18	15	14	9	
Average Expenditure		18.8		143.4	232.8	233.9	696.2	1157.2	
Minimum Expenditure		11.8		25.0	7.5	104.6	164.7	353.1	
Maximum Expenditure		25.7		243.6	525.0	413.5	1805.4	2045.0	
Median Expenditure		11.8		62.0	185.0	202.0	534.0	1287.0	
1 Million or More									
Number of Reporting Banks		d	2		7	9	11	36	13
Average Expenditure			44.9		213.1	277.7	921.3	1518.8	4549.1
Minimum Expenditure			16.0		118.4	141.7	285.0	536.8	250.0
Maximum Expenditure			73.9		289.7	501.0	2210.0	3147.5	8242.0
Median Expenditure			16.0		201.2	278.0	794.5	1348.0	4537.7

d — Disclosure: Reporting this data could make it possible to identify an individual responding bank.

TABLE 7
AVERAGE AND MEDIAN MARKETING EXPENDITURES BY POPULATION SIZE AND MARKET TYPE
(All Reporting Banks - 1985, $000)

Population Size	Market Type: State-wide	Urban SMSA	Suburban SMSA	Urban Not SMSA	Suburban Not SMSA	Rural
Under 100,000						
Number of Reporting Banks	3	44	73	75	52	403
Average Expenditure	**$182.9**	**$123.7**	**$103.1**	**$103.4**	**$ 87.4**	**$ 43.0**
Minimum Expenditure	42.2	2.5	5.8	10.2	2.0	1.0
Maximum Expenditure	380.5	862.4	356.1	351.7	231.2	270.9
Median Expenditure	**125.9**	**103.9**	**93.1**	**96.4**	**66.9**	**29.7**
100,000 - 500,000						
Number of Reporting Banks	d	74	63	18	21	24
Average Expenditure		**336.1**	**236.0**	**264.2**	**186.7**	**166.6**
Minimum Expenditure		5.7	3.9	4.0	13.1	2.0
Maximum Expenditure		1670.0	1408.0	1736.4	772.2	916.6
Median Expenditure		**206.6**	**155.8**	**183.9**	**134.9**	**91.2**
500,000 - 1 Million						
Number of Reporting Banks	6	24	21	6	4	d
Average Expenditure	**459.2**	**435.3**	**390.8**	**452.2**	**434.3**	
Minimum Expenditure	139.8	11.8	7.5	25.7	41.8	
Maximum Expenditure	1323.0	1459.0	2045.0	1287.0	1113.4	
Median Expenditure	**349.8**	**245.0**	**243.0**	**158.6**	**185.0**	
1 Million or More						
Number of Reporting Banks	25	32	11	6	d	3
Average Expenditure	**2947.5**	**1121.8**	**665.1**	**707.3**		**1864.3**
Minimum Expenditure	560.1	9.9	193.8	141.7		1348.0
Maximum Expenditure	8242.0	4194.8	2165.0	1450.0		2210.0
Median Expenditure	**2550.0**	**690.7**	**415.0**	**278.0**		**2035.0**

d — Disclosure: Reporting this data could make it possible to identify an individual responding bank.

In order to track what types of services banks are selling with their marketing budget, the "Analysis" asked them to indicate what percentage of their total marketing budget is allocated to each of the following areas:

A) Retail (to individuals)
B) Commercial/Corporate (to businesses)
C) Trust
D) Institutional

Tables 8 and 9 show how much of the banks' budgets are allocated to these service categories, and the percentage of banks promoting each type.

Percentage Allocations

Retail services received slightly more emphasis this year among community banks and slightly lower emphasis in larger banks. As shown in Table 8, community banks spent from 56.4% to 73.4% of their budget on retail services, and larger banks spent from 54.3% to 60.5%. Emphasis on retail services overall declines somewhat as the size of the bank increases, based on 1985's data.

The second largest emphasis is on commercial/corporate services, which takes from 10.6% to 22.0% of the budget. Allocations for these services decline somewhat as the size of the bank increases.

Trust marketing, however, shows a clear increase in emphasis as the size of the bank increases, from less than 1% in the smallest banks, to more than 6% in the largest.

Institutional marketing also grows with the asset size of the bank. It increases from a low of 8.1% in banks from $10 million to $25 million in assets to as much as 20.5% in banks from $250 to $500 million in assets. Some of the activity may reflect mergers and name changes, especially among medium size banks.

Table 9 shows that retail services are promoted by more banks than any other single service type. Fifty nine percent of the banks under $10 million promote them, and the percentage increases to more than 90% in all banks above $250 million in assets.

Commercial/corporate services are the next most frequently promoted, ranging from 36% in the smaller banks to three fourths or more of the banks over $50 million.

Promotion of trust services, of course, also is closely related to asset size, with only 2% of smaller banks promoting them. The percentage increases to about 50% in the middle size range and to 80% in the largest banks.

Institutional marketing is used frequently — by about one-fourth of the smallest banks, to more than three-fourths of the larger banks.

Actual Expenditures

Table 10 shows the actual average expenditure amounts reported for these services. Retail expenditures average $7,700 in the banks under $10 million in assets, and range upwards to $2,812,800 in banks with more than $5 billion in assets. Commercial/corporate marketing expenditures average from $4,400 in the smaller banks to more than $657,000 in the largest. Trust ranges from $3,200 to $407,500, and institutional from $6,100 to $1,123,500.

Table 11 shows comparable figures based on the median expenditures. As would be expected, the median data are generally somewhat lower than those reported in the averages under Table 10.

Table 12 shows the expenditures again by type of service, only this time they are cross-tabulated by the population size of the market. As an example, expenditures for retail services range from $41,300 for banks in markets of under 100,000 population, to $999,100 for banks in markets with 1,000,000 or more people.

TABLE 8
PERCENTAGE OF REPORTING BANKS' BUDGETS SPENT ON EACH SERVICE BY ASSET SIZE

Service Type	Asset Size in Millions								
	Under $10	$10-$25	$25-$50	$50-$100	$100-$250	$250-$500	$500-$1 Billion	$1 Billion-$5 Billion	$5 Billion or More
Retail Services (individuals)	73.4%	67.5%	63.1%	56.8%	56.4%	54.3%	60.5%	57.8%	57.8%
Commercial/Corporate (business)	16.4	21.2	22.0	20.4	18.9	18.6	16.0	17.7	10.6
Trust	2	1.7	1.4	3.3	5.3	4.8	4.4	4.4	6.1
Institutional	9.6	8.1	10.8	16.9	17.9	20.5	16.3	16.6	17.1
Other	4	1.6	2.7	2.6	1.5	1.8	2.7	3.5	8.4
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%

SHARE OF EXPENDITURES BY ASSET GROUP
(data compiled from Table 8)

Figure C

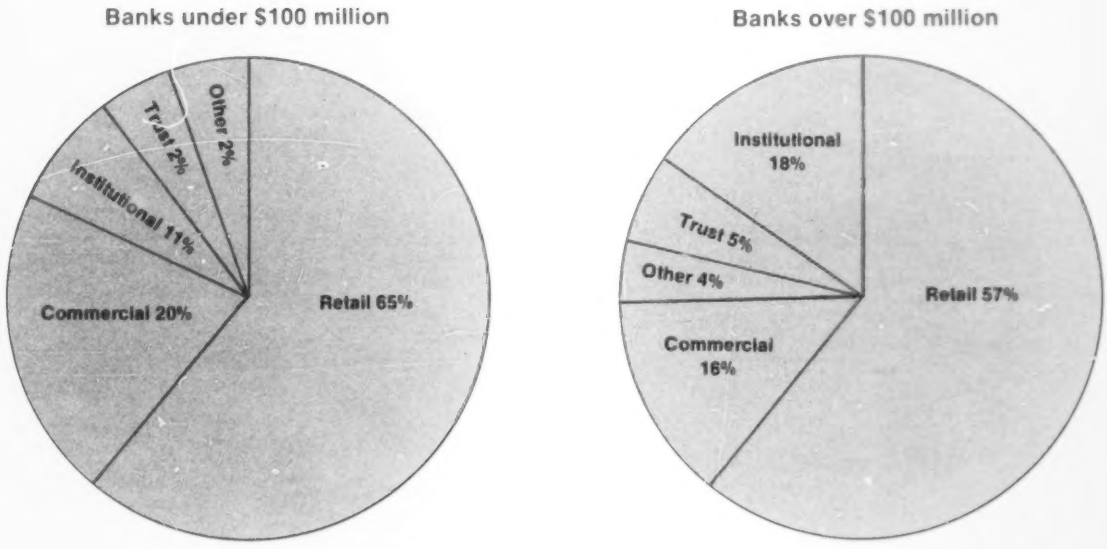


TABLE 9
PERCENTAGE OF REPORTING BANKS MARKETING EACH SERVICE BY ASSET SIZE

Service Type	Asset Size in Millions								
	Under $10	$10-$25	$25-$50	$50-$100	$100-$250	$250-$500	$500-$1 Billion	$1 Billion-$5 Billion	$5 Billion or More
Retail Services (individuals)	59%	73%	82%	83%	88%	90%	91%	96%	93%
Commercial/Corporate (business)	36	57	68	78	78	81	78	87	87
Trust	2	6	14	28	54	55	62	64	80
Institutional	23	24	37	56	63	73	73	76	67
Other	2	6	11	14	11	15	20	20	27

TABLE 10
AVERAGE MARKETING EXPENDITURE BY SERVICE TYPE AND ASSET SIZE
(All Reporting Banks - 1985, $000)

Service Type	Asset Size in Millions: Under $10	$10-$25	$25-$50	$50-$100	$100-$250	$250-$500	$500-$1 Billion	$1 Billion-$5 Billion	$5 Billion or More
Retail Services (individuals)	$7.7	$12.0	$19.9	$36.6	$77.3	$155.5	$436.1	$825.2	$2812.8
Commercial/Corporate (business)	4.4	5.9	9.7	14.2	32.6	51.0	123.4	287.7	657.8
Trust	3.2	2.5	2.9	5.9	11.6	19.1	39.1	104.8	407.5
Institutional	6.1	5.9	8.9	16.1	38.8	69.0	128.8	256.2	1123.5
Other	1.1	2.6	5.4	8.5	17.0	27.2	54.8	195.1	1112.3

TABLE 11
MEDIAN MARKETING EXPENDITURES BY SERVICE TYPE AND ASSET SIZE
(All Reporting Banks - 1985, $000)

Service Type	Asset Size in Millions: Under $10	$10-$25	$25-$50	$50-$100	$100-$250	$250-$500	$500-$1 Billion	$1 Billion-$5 Billion	$5 Billion or More
Retail Services (individuals)	$4.9	$9.8	$17.0	$31.1	$71.2	$121.9	$332.6	$673.4	$2550.0
Commercial/Corporate (business)	2.2	3.4	5.8	10.2	21.0	37.2	68.2	169.1	428.0
Trust	3.2	1.9	1.8	4.4	9.0	14.6	27.6	62.6	333.3
Institutional	2.2	4.1	4.7	9.7	24.6	43.8	87.5	177.7	1181.1
Other	1.1	1.8	2.9	6.6	12.7	19.7	32.7	195.9	428.0

TABLE 12
AVERAGE MARKETING EXPENDITURE BY SERVICE TYPE AND POPULATION SIZE
(All Reporting Banks - 1985, $000)

Service Type	Population Size: Under 100,000	100,000-500,000	500,000-1 Million	1 Million or More
Retail Services (individuals)	$41.3	$157.1	$261.1	$999.1
Commercial/Corporate (business)	16.0	41.8	128.3	284.9
Trust	9.5	18.9	43.0	173.9
Institutional	21.5	74.5	117.4	284.1
Other	11.0	38.9	41.4	398.7

USE OF DIRECT MAIL

For the first time in the "Analysis" BMA asked banks about their use of direct mail to promote bank services. This medium has gained widespread acceptance in recent years for selling a variety of financial services. Therefore, the "Analysis" looked into how often banks use mail advertising and what types of services they promote with it.

Note that as part of the question description, it was specified that the bank should include information only about noncustomer promotional mailings. Statement enclosures to customers are specifically not included in the data.

The categories of information included in this section include:

- The number of promotional (noncustomer) mailings actually **sent in 1985.**
- The number of promotional (noncustomer) mailings the bank **expects to send** in 1986.
- The general **types** of services sold by mail (credit, deposit and corporate).
- Within those three general types of services, the **specific products** promoted (such as home equity loans, IRAs, money market accounts, etc.).

The findings from this special section of the "Analysis" are reported in Tables 13 through 15 and Figures D and E.

Who's Using Mail

Table 13 shows the percentage of banks which used (and did not use) mail advertising in 1985. It shows, for example, that in all asset categories, except those banks under $25 million, a majority of respondents used direct mail in 1985. The table also shows the number of mailings sent in each asset range (see Figure D for the average number of mailings).

Table 14 shows the percentage of banks which plan to use direct mail in 1986, and the number they expect to send (see Figure E for the average number planned). The table shows that the percentage of banks planning to use direct mail will stay the same or increase in 1986 in all asset ranges, except among those banks under $25 million in assets.

Figure D shows that the average number of mailings sent in 1985 is directly correlated to the size of the bank, increasing from .6 in the very smallest banks to 6.7 in the largest banks (note that average is for all banks . . . both users and nonusers).

The number of mailings they expect to send in 1986 increases in every asset range. While community banks expect to send .2 to 1.0 more mailings, the larger banks expect to send from 1.4 to 3.0 more mailings in 1986 than they sent in 1985.

TABLE 13
USE OF DIRECT MAIL IN 1985
(All Reporting Banks - 1985)

Use of Mail	Asset Size in Millions								
	Under $10	$10-$25	$25-$50	$50-$100	$100-$250	$250-$500	$500-$1 Billion	$1 Billion-$5 Billion	Over 5 Billion
Did Not Mail	72%	55%	47%	35%	14%	9%	5%	2%	—
Mailed 1-3	28	35	43	48	59	58	45	27	29
4-6	—	5	7	13	17	20	35	40	36
7-9	—	1	1	1	6	6	3	9	14
10 or more	—	4	2	3	4	7	12	22	21
Total Using Mail	28	45	53	65	86	91	95	98	100

TABLE 14
EXPECTED USE OF DIRECT MAIL IN 1986
(All Reporting Banks - 1985)

Use of Mail	Asset Size in Millions: Under $10	$10-$25	$25-$50	$50-$100	$100-$250	$250-$500	$500-$1 Billion	$1 Billion-$5 Billion	Over 5 Billion
Will Not Mail	68%	56%	37%	26%	9%	2%	2%	2%	—
Will Mail 1-3	27	26	42	43	42	40	27	15	7
4-6	5	12	15	22	32	37	37	32	29
7-9	—	2	2	4	8	6	16	19	21
10 or more	—	4	4	5	9	15	18	32	43
Total Will Mail	32	44	63	74	91	98	98	98	100

NUMBER OF MAILINGS
(1985 Actual, 1986 Expected)
BY ASSET SIZE
Figure D

NUMBER OF MAILINGS
(1985 Actual, 1986 Expected)
BY ADVERTISING SOURCE
Figure E

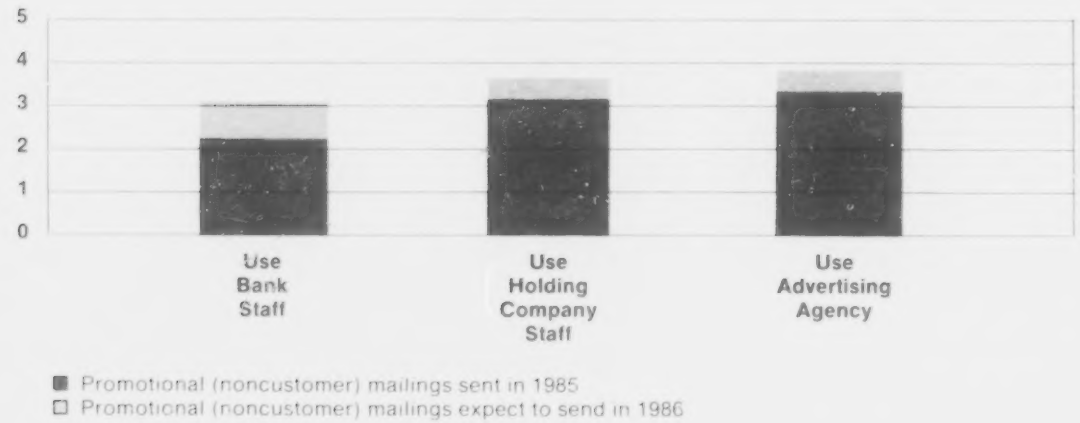


TABLE 15
SERVICES PROMOTED BY DIRECT MAIL
(All Reporting Banks - 1985)

Type of Service	Asset Size in Millions								
	Under $10	$10-$25	$25-$50	$50-$100	$100-$250	$250-$500	$500-$1 Billion	$1 Billion-$5 Billion	$5 Billion or More
Credit	**23%**	**28%**	**41%**	**50%**	**69%**	**85%**	**85%**	**89%**	**100%**
Credit Card	2	5	11	16	31	48	44	56	87
Installment	18	19	22	19	34	37	33	33	53
Home Equity	5	10	8	16	26	39	51	55	53
Other Line of Credit	2	4	11	18	25	31	40	47	80
Mortgage	7	6	16	13	17	13	25	11	27
Other Credit Services		2	4	7	7	7	4	4	13
Deposit	**30**	**42**	**52**	**64**	**80**	**87**	**82**	**82**	**100**
Checking	16	26	26	27	26	17	25	16	20
Money Market	16	21	21	19	26	27	18	27	40
Short Term CDs	7	10	13	8	12	21	11	11	40
Long Term CDs	5	9	11	8	13	19	9	16	27
IRA	25	35	47	58	70	78	78	80	93
Other Deposit Services	7	4	12	14	16	15	16	9	13
Corporate	**16**	**14**	**21**	**29**	**33**	**49**	**42**	**38**	**40**
Deposit	11	9	11	13	11	14	16	15	7
Loans	11	9	12	12	16	24	25	22	7
Ancillary			1	2	5	4	5	5	
Institutional		3	5	7	11	16	18	6	13
Other			5	6	5	9	7	7	13

Table 15 shows how the subject of the banks' mailings changes with the size of the institution. Overall, credit and deposit products are those sold most often by mail, followed by corporate services.

Credit Services

Use of direct mail for selling credit increases from only 23% in the smallest banks to 100% in the largest banks. Table 15 shows which specific type of credit services banks are promoting. In the community banks, credit related to real estate such as home equity loans is promoted by 5% to 55% of responding banks.

The larger institutions are more likely to sell credit cards (more than one-half of those banks over $1 billion promoted them by mail), followed by home equity loans and other types of lines of credit. Mortgage lending is promoted at 6% to 27% of banks using direct mail.

Deposit Services

Table 15 shows that the likelihood of promoting deposit services by mail increases with the size of the bank, with about one-half of community banks and nearly all of the larger banks selling them.

Within deposit services, the product sold most frequently among community banks is Individual Retirement Accounts (from 25% of the smallest to 70% to 78% of the larger community banks). Among the largest banks, 78% to 93% sell IRAs by mail.

Other deposit services sold frequently by mail are certificates of deposit (both short and long term). Slightly more banks reported selling short term certificates (7% to 40%), than longer term certificates (5% to 27%).

Many institutions also reported selling money market accounts by mail. Again, larger institutions were somewhat more likely to promote MMAs than community banks. The community banks, however, were somewhat more likely to promote checking accounts (16% to 27%) than larger banks.

Corporate Services

As expected, larger banks are more likely to use mail to promote their various corporate services. Table 15 shows that these services were sold by mail at 14% to 33% of community banks, and at 38% to 49% of the larger institutions.

Table 15 provides a breakdown of the corporate services sold by mail. Loans are promoted most often (7% to 25% of all banks), followed by institutional advertising (3% to 18%) and deposit services (7% to 16%). Ancillary corporate services are sold by 1% to 5% of banks which use mail advertising.

USE OF ADVERTISING AGENCIES

For the fourth consecutive year, the "Analysis" has tracked the use of advertising agencies by banks and how they compensate them. The two pie charts in Figure F show the primary source of advertising for two size ranges of banks — those under $100 million and those over $100 million.

As noted in prior years, there is a pronounced difference in the use of advertising agencies based on the size of the bank. For example, among banks under $100 million, about three out of four prepare their advertising within the bank, while in banks over $100 million, three out of four (76%) use an advertising agency.

Table 16 shows the percentage of banks using each of the different sources by nine asset ranges. The use of bank staff is highest in the smaller banks (86%) and lowest in the banks above $250 million (40% declining to none in the largest asset size). Conversely, use of advertising agencies is lowest in the community banks (as low as 10%) and increases with bank size up to 100% for those banks over $5 billion in assets. Use of holding companies fluctuates along the scale of bank size, varying from 2% to 11%.

Table 17 shows how the population size of a market influences the likelihood of using an advertising agency. In the markets under 100,000 population, 62% of the banks prepare their own advertising, compared to only 13% of the banks in the markets of over 1,000,000 population. And, while agencies are used by only 30% of banks as their primary advertising source in markets under 100,000, they are used by 80% of the banks in markets of more than 1,000,000.

Similar findings are true in Table 18 which shows that advertising agencies are used most often in statewide markets (91%) and least often in rural markets (22%). In urban markets, 29% of banks prepare their own advertising, 7% use holding companies and 59% use an outside agency.

SOURCE FOR CREATING ADVERTISING

Figure F

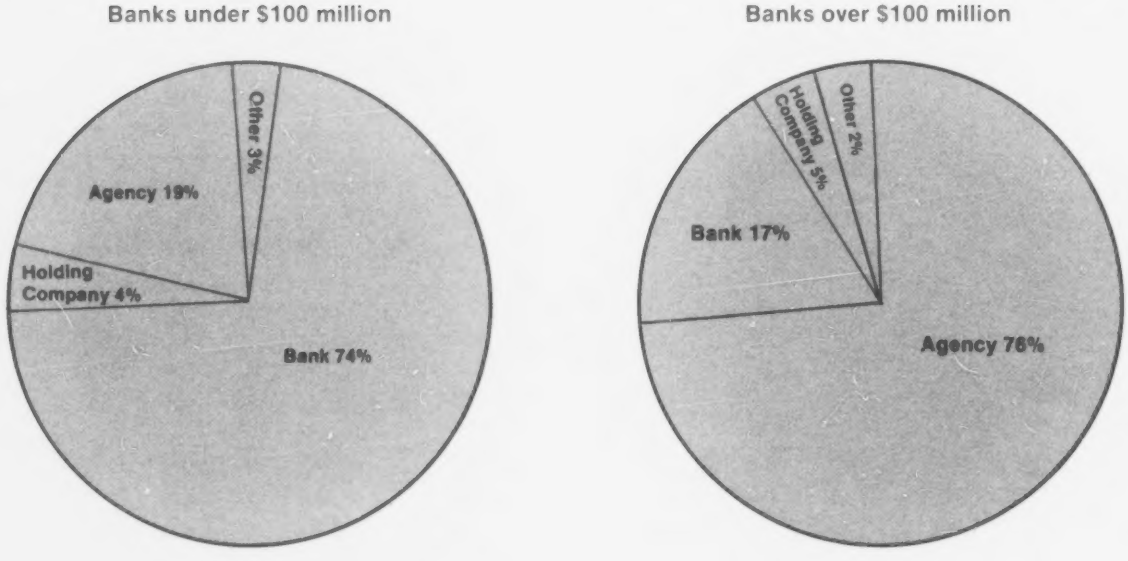


TABLE 16
BANK'S PRIMARY SOURCE FOR CREATING ADVERTISING DURING 1985
(All Reporting Banks - 1985, $000)

Primary Source	Asset Size in Millions								
	Under $10	$10-$25	$25-$50	$50-$100	$100-$250	$250-$500	$500-$1 Billion	$1 Billion-$5 Billion	$5 Billion or More
Used Bank Staff	86%	80%	69%	61%	40%	26%	13%	7%	
Used Holding Company Staff		7	4	6	5	8	11	2	
Used Outside Agency	10	12	22	30	54	63	73	91	100%
Other	5	2	4	3	1	4	4		
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%

TABLE 17
BANK'S PRIMARY SOURCE FOR CREATING ADVERTISING BY POPULATION

Primary Source	Under 100,000	100,000-500,000	500,000-1 Million	1 Million or More
Used Bank Staff	62%	32%	27%	13%
Used Holding Company Staff	5	7	5	5
Used Outside Agency	30	59	65	80
Other	3	2	3	3
Total	100%	100%	100%	100%

TABLE 18
BANK'S PRIMARY SOURCE FOR CREATING ADVERTISING BY MARKET TYPE

Primary Source	State-wide	Urban SMSA	Suburban SMSA	Urban Not SMSA	Suburban Not SMSA	Rural
Used Bank Staff	6%	29%	32%	49%	51%	70%
Used Holding Company Staff	3	7	5	3	6	5
Used Outside Agency	91	59	59	48	41	22
Other		4	4	1	1	3
Total	100%	100%	100%	100%	100%	100%

TABLE 19
HOW AGENCY WAS COMPENSATED FOR SERVICES IN 1985
(Banks Which Use Agencies)

Compensation Type	Asset Size in Millions								
	Under $10	$10-$25	$25-$50	$50-$100	$100-$250	$250-$500	$500-$1 Billion	$1 Billion-$5 Billion	$5 Billion or More
Fees Only	—	69%	72%	73%	39%	38%	28%	20%	
Media Commissions Only	—		6	6	8	2	8	16	33
Both Fees and Commissions	—	31	22	20	53	61	64	64	67

TABLE 20
AVERAGE EXPENDITURE FOR FEES AND COMMISSIONS AT AN OUTSIDE ADVERTISING AGENCY

Compensation	Asset Size in Millions								
	Under $10	$10-$25	$25-$50	$50-$100	$100-$250	$250-$500	$500-$1 Billion	$1 Billion-$5 Billion	$5 Billion or More
Number of Reporting Banks	2	4	6	8	66	35	22	24	7
Median Expenditure	$6.0	$3.0	$13.5	$ 8.4	$15.0	$33.6	$ 75.0	$125.0	$471.7
Average Expenditure	8.1	6.8	14.6	10.3	24.1	70.9	103.9	161.2	666.9

Compensation Method

The method banks use to compensate their agencies varies not only with the size of the bank, but also with the type of work they need and their own internal resources.

The banks which indicated in the survey that they used an advertising agency as their primary source of advertising also were asked to describe which of the following alternatives they used to compensate their agency.

- Fees Only
- Media commissions only
- Both fees and commissions

Community banks are much more likely to use a fee basis than are larger banks. For example, 69% to 73% of banks from $10 million to $100 million in assets use a compensation system based on fees only. But in larger institutions, such as those over $500 million, the percentage does not exceed 28%.

Media commissions are used to compensate the agency most often in the largest banks. While only 6% to 8% of community banks use media commission as a method of compensation, up to 33% of the largest banks do. This is to be expected in that media budgets at smaller banks might not be large enough to fairly compensate the agency.

A system based on both fees and commissions is used by a minor portion of smaller banks, but by an increasingly larger portion of the largest institutions. Among banks above $250 million in assets, 61% to 67% use both fees and commissions.

Compensation Amount

Those responding banks which used an advertising agency also were asked how much they pay them on an annual basis. They were asked to include fees paid for creative, supervisory and account management time, but to exclude production expenses such as typesetting and artwork, and research or public relations fees.

Table 20 shows the results of this question, with both the median and average responses. It is important to note the difference in the responses to this question and the data presented earlier in this report. For example, Tables 1 and 2 include a line for "Fees and Commissions" which will differ from the figures in Table 20. The difference occurs because Tables 1 and 2 include data for all banks, encompassing not only those banks which used an outside agency as their primary source, but also those which used an agency on a project or freelance basis and produced perhaps other materials in-house or through a holding company. Thus, it is logical the smaller group of agency-only users in Table 20 would report different statistics.

To use this table, simply identify the bank asset range wanted and read the data contained in that column. For example, a $750 million bank would spend $103,900 on average, and the median expenditure would be $75,000 annually.

TABLE 21
AVERAGE AND MEDIAN MARKETING EXPENDITURES FOR 1984/1985 BY ASSET SIZE
(All Reporting Banks - 1985, $000)

	Asset Size in Millions								
	Under $10	$10-$25	$25-$50	$50-$100	$100-$250	$250-$500	$500-$1 Billion	$1 Billion-$5 Billion	$5 Billion or More
1985 NON-SALARY MARKETING EXPENDITURES									
Number of Reporting Banks	43	127	180	180	276	105	55	55	15
Average Expenditure	$ 10.3	$ 18.6	$ 32.0	$ 61.8	$140.9	$264.5	$668.0	$1412.5	$4567.0
Minimum Expenditure	1.2	7	2.0	3.5	4.6	18.0	70.2	292.8	250.0
Maximum Expenditure	63.7	94.6	135.9	243.6	525.0	1736.4	2210.0	3147.5	8242.0
Median Expenditure	5.8	13.5	27.4	54.3	124.5	228.6	551.8	1323.0	4683.2
1984 NON-SALARY MARKETING EXPENDITURES									
Number of Reporting Banks	31	79	126	132	217	94	47	43	12
Average Expenditure	$ 9.3	$ 17.7	$ 27.1	$ 72.3	$129.1	$244.6	$561.7	$1097.6	$3588.6
Minimum Expenditure	1.0	1.0	1.0	12.0	5.0	2.0	6.0	1.1	250.0
Maximum Expenditure	60.0	130.0	69.0	954.0	758.0	2041.0	2350.0	3300.0	7000.0
Median Expenditure	6.0	15.0	25.0	55.0	106.7	220.0	480.0	940.1	3872.4

Marketing expenditures which banks made for both 1984 and 1985 are shown in this table. Note that the figures reported for 1984 are those indicated by respondents on this year's questionnaire and are not taken from last year's "Analysis." Each table shows the number of banks responding, along with the average expenditure, the minimum and maximum expenditure, and the median expenditure.

The data for 1984 show increases in the average expenditure in all asset ranges. Likewise, the median expenditures show increases in most ranges, with the exception of banks under $25 million.

While it would be possible to make estimates from this data on what the banking industry at large spends on marketing, there are a number of limiting biases. The number of banks in each asset range changes each year. Further, responding banks, as mentioned earlier, may not make expenditures typical of all banks nationwide.

Readers interested in making such a projection despite these limitations may do so by multiplying the current number of banks in each asset range times the average expenditure for that range, then adding the total of the nine ranges.

Confidential Study
Of Bank Marketing Expenditures

BANK MARKETING ASSOCIATION

An affiliate of American Bankers Association

INSTRUCTIONS FOR COMPLETING FORM

- Enter data in thousands (Ex: $7,400 = 7.4) (Ex: $74,000 = 74.0) (Ex: $7,400,000 = 7,400.0)
- Please try to indicate an amount (if any) for each of the A through E bold subtotal lines, even if you don't have data for all the items within that category.
- If no expenditure was made in a category, indicate "0".
- If your bank is part of a holding company, please report only your bank's figures.
- If you have questions, call Jeanne Devine at BMA, 312/782-1442.

Part I. U.S. BANK MARKETING EXPENDITURES (excluding salaries)

Please allocate your 1985 non-salary marketing expenditures as best you can among the following:

(Enter in thousands) (Ex: $7,400 = 7.4)

A. ADVERTISING

1. Magazines (consumer, trade, etc.) $
2. Directories (telephone, bank, city, etc.)
3. Newspapers
4. Television
5. Radio
6. Direct Response (direct mail/literature, lists, postage, mailers, telemarketing)
7. Outdoor and transit (billboards, bus, train cards, etc.)
8. Production expenses (artwork, layout, printing, filming, etc.)
9. Fees and commissions (advertising agency, media representative, advertising/marketing consultants, etc.)
10. All other advertising (please describe):

A) Sub-Total for Advertising $

B. PUBLIC RELATIONS

1. Stockholder/investment community (annual report, meetings, etc.) $
2. Media relations (press releases, press conferences, etc.)
3. Publications (community service publications, newsletters, etc.)
4. Special events (seminars, anniversaries, open house, etc.)
5. Public relations consultants fees
6. Donations (include donation advertising — schools, churches, civic clubs & related publications)
7. All other public relations (please describe):

B) Sub-Total for Public Relations $

C. SALES PROMOTION

1. Net premium expense (cost of premiums less revenues from premium sales)
2. Newcomer services (non-salary only)
3. Specialties (giveaways, such as calendars, pens, etc.)
4. Point-of-sale materials (displays, banners, brochures, etc.)
5. Employee incentives (non-salary expenses directly related to employee sales/customer relations efforts)
6. All other sales promotion expenses (please describe):

C) Sub-Total for Sales Promotion $

D. STAFF SALES/CUSTOMER RELATIONS TRAINING

1. External expenses (consultant fees, materials, facilities, etc.)
2. Non-salary internal expenses (development, printing, classroom, etc.)
3. All other staff sales/customer relations training (please describe):

D) Sub-Total for Staff Sales/Customer Relations Training $

E. MARKETING RESEARCH

1. External expenses (supplier expenses such as consultants, test fees, data processing fees, etc.)
2. Non-salary internal expenses
3. All other marketing research (please describe):

E) Sub-Total for Marketing Research $

F. ALL OTHER NON-SALARY MARKETING EXPENSES NOT ACCOUNTED FOR IN A—E ABOVE (use a zero if none) $

Total 1985 Non-Salary Marketing Expenditures (Sum of A—F above) $

(Please complete Side Two)

Part II. SERVICE ALLOCATION OF 1985 NON-SALARY MARKETING EXPENDITURES

Please indicate the approximate percentage amount of your total marketing budget allocated to each of these five categories:

_____% Retail (Individuals)
_____% Commercial/corporate (Business)
_____% Trust
_____% Institutional
_____% Other (Specify _____)
100 % Total

Part III. GENERAL INFORMATION (Place a single check under each question)

A. What were your bank's total assets as of December 31, 1985?

- ☐ Under $10 million
- ☐ $10 million but less than $25 million
- ☐ $25 million but less than $50 million
- ☐ $50 million but less than $100 million
- ☐ $100 million but less than $250 million
- ☐ $250 million but less than $500 million
- ☐ $500 million but less than $1 billion
- ☐ $1 billion but less than $5 billion
- ☐ $5 billion or more

B. For retail business, what best describes the kind of market in which your bank competes? (Check appropriate response; note SMSA is Standard Metropolitan Statistical Area)

- ☐ Statewide
- ☐ SMSA — Urban
- ☐ SMSA — Suburban
- ☐ Urban but not SMSA
- ☐ Suburban but not SMSA
- ☐ Rural (none of the above)

C. What is the approximate population of your retail trade area checked in C above? (Check appropriate category)

- ☐ Under 100,000
- ☐ 100,000 but less than 500,000
- ☐ 500,000 but less than one million
- ☐ One million or more

D. Please indicate the approximate Total 1984 Non-Salary Marketing Expenditures for your bank (in $000)

$_____ (in $000) — 1984

Part IV. USE OF DIRECT MARKETING

A. During 1985 we sent the following number of promotional mailings. (Do not include statement enclosures)

☐ None ☐ 1-3 ☐ 4-6 ☐ 7-9 ☐ 10 or more

B. During 1986, we plan to send the following number of promotional mailings. (Do not include statement enclosures)

☐ None (Go to Part V) ☐ 1-3 ☐ 4-6 ☐ 7-9 ☐ 10 or more

C. The services which we usually promote by mail are:

☐ Loan	☐ Deposit	☐ Corporate
Check Type(s):	Check Types:	Check Types:
Credit Card	Checking	Deposit
Installment	Money Market	Loan
Home Equity	Short Term CDs	Annuities
Other (Use at Cost)	Long Term CDs	Investments
Mortgage	IRA	
Other	Other	Other

Part V. AGENCY COMPENSATION

A. Which one of the following was the bank's primary source for creating advertising during 1985?

- ☐ Client bank staff (Not Survey)
- ☐ Client holding company staff (Not Survey)
- ☐ Client outside agency (Go to Question B)
- ☐ Other (specify)

B. (Answer only if you indicated use of an outside agency above). Please indicate which one of these methods you used to compensate your agency in 1985:

SELECT ONE

1. ☐ Both Fees & Commissions
   Estimate total paid in 1985:
   (in $000)
2. ☐ Only Media Commissions
   Estimate total paid in 1985:
   (in $000)
3. ☐ Only Fees
   (Estimate the fees you paid your agency in 1985 for creative, layout, copy, and account management time. Exclude production expenses such as typesetting and artwork and exclude other services such as research or public relations.)
   Estimate fees paid in 1985:
   (in $000)

BANK MARKETING ASSOCIATION

Thank you for your responses. They are very important to the study. Please return this questionnaire in the enclosed postage-paid envelope. You need not identify yourself or your bank. Your answers will remain completely confidential.

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